

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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MONTAMER CORPORATION,

Plaintiff,

-against-

HARTFORD INSURANCE COMPANY OF
THE MIDWEST,

Defendant.
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Case No. 07 Civ 6531 (SCR) (LMS)

ECF

EXHIBIT A PART 2 OF 3

b. Paragraph 2.a.(1)(d) in Section C. - WHO IS AN INSURED does not apply to nurses, emergency medical technicians or paramedics referred to in a. above.

c. Paragraph (1) of Exclusion e. in Section B. - EXCLUSIONS does not apply to injury to the emotions or reputation of a person arising out of such services.

This Incidental Malpractice Coverage does not apply if you are engaged in the business or occupation of providing any services referred to in a. above.

COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation of the claim or defense of the "suit", including actual loss of earnings up to \$500 a day because of time off from work.
- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under a. through g. above will not reduce the Limits of Insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of paragraph 1.b.(b) of Section B. – EXCLUSIONS, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph f. above, are no longer met.

B. EXCLUSIONS

1. Applicable to Business Liability Coverage

This insurance does not apply to:

a. Expected or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or
- (b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the

execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for an indemnitee are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such indemnitee for, or for the cost of, that indemnitee's defense has also been assumed in the same "insured contract", and
- (ii) Such attorney fees and litigation expenses are for defense of that indemnitee against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or

- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or

rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) An aircraft that is:
 - (a) Hired, chartered or loaned with a paid crew; but
 - (b) Not owned by any insured;
- (2) A watercraft while ashore on premises you own or rent; or
- (3) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge.

This provision (3) applies to any person who, with your expressed or implied consent either uses or is responsible for use of a watercraft.

Provisions under paragraphs (1) and (3) of this Exclusion g. do not apply if the insured has any other insurance for "bodily injury" or "property damage" liability that would also be covered under those provisions, whether the other insurance is primary, excess, contingent or on any other basis. In that case, provisions (1) and (3) above do not provide any insurance.

- (4) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (5) Liability assumed under any "insured contract" for the ownership, maintenance, or use of aircraft or watercraft; or
- (6) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraphs f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incidental to war. War includes civil war, insurrection, rebellion or revolution.

This exclusion applies only to liability assumed under a contract or agreement.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" due to the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services or treatment;
- (5) Any health service or treatment;
- (6) Any cosmetic or tonsorial service or treatment;
- (7) Optical or hearing aid services including prescribing, preparation, fitting, demonstration, or distribution of ophthalmic products or hearing aid devices;
- (8) Optometric services including but not limited to examination of the eyes and prescribing of ophthalmic lenses and exercises;
- (9) Ear piercing services;
- (10) Services in the practice of pharmacy.
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to Incidental Malpractice coverage afforded under paragraph 4. in Section A. - COVERAGE.

k. Damage to Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - LIMITS OF INSURANCE.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (4) of this exclusion does not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard". This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage to Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. "Personal and Advertising Injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;

- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;

- (3) Arising out of a criminal act committed by or at the direction of the insured;

- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";

- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

- (6) Arising out of the wrong description of the price of goods, products or services;

- (7) Arising out of any violation of any intellectual property rights, such as patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;

- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

- (c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;

- (b) Designing or determining content of web sites for others; or

- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – LIABILITY AND MEDICAL EXPENSES DEFINITIONS.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board you host, own, or over which you exercise control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.
However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;
- (12) Arising out of:
 - (a) An "advertisement" for others on your web site;
 - (b) Placing a link to a web site of others on your web site; or
 - (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images;
- (13) Arising out of a violation of any anti-trust law; or
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities.

Exclusions c. through i., k., l., m. and n. do not apply to damage by fire, lightning or explosion to premises rented to you. A separate Limit of Insurance applies to this coverage as described in Section D. - LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE.

2. Applicable to Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while taking part in athletics.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

h. War

Due to war, whether or not declared, or any act or condition incidental to war. War includes civil war, insurrection, rebellion or revolution.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your manager.
- d. An organization other than a partnership or joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Any "employee" of the insured while acting in the scope of his/her duties as a retail pharmacist, or optician or optometrist.

f. Additional Insureds by Contract, Agreement or Permit

Any person or organization with whom you agreed, because of a written contract or agreement or permit, to provide insurance such as is afforded under this Business Liability Coverage Form, but only with respect to your operations, "your work" or facilities owned or used by you.

However, coverage under this provision does not apply:

(1) Unless the written contract or agreement has been executed or a permit has been issued prior to the "bodily injury", "property damage" or "personal and advertising injury".

(2) To any person or organization included as an insured under provision g. (Broad Form Vendors).

(3) To any other person or organization shown in the Declarations as an Additional Insured.

Coverage under this provision includes the following:

(1) When an **engineer, architect or surveyor** becomes an insured under provision 2.f., the following additional exclusion applies:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you including:

(a) The preparing, approving, or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; and

(b) Supervisory, inspection, architectural or engineering activities.

(2) When a **lessor of leased equipment** becomes an insured under provision 2.f., the following additional exclusions apply:

- (a) To any "occurrence" which takes place after the equipment lease expires; or
 - (b) To "bodily injury" or "property damage" arising out of the sole negligence of the lessor.
- (3) When **owners or other interests from whom land has been leased** become an insured under provision 2.f., the following additional exclusions apply:
- (a) Any "occurrence" which takes place after you cease to lease that land; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of the owners or other interests from whom land has been leased.
- (4) When **managers or lessors of premises** become an insured under provision 2.f., the following exclusions apply:
- (a) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessors of the premises.

g. Additional Insured - Broad Form Vendors

Any person or organization with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

- (1) The insurance afforded the vendor does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in product made intentionally by the vendor;
- (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f) Demonstration, installation, servicing or repair operations except such operations performed at the vendor's premises in connection with the sale of the product;
- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

- (2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- (3) This provision g. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Part.
- (4) This provision g. does not apply if "bodily injury" or "property damage" included within the "products-completed operation hazard" is excluded either by the provisions of the Coverage Part or by endorsement.

h. Broad Form Named Insured

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this coverage form.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

i. Newly Formed or Acquired Organizations

Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- (1) Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- (2) Coverage under this provision does not apply to:
 - (a) "Bodily injury" or "property damage" that occurred; or
 - (b) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

j. Additional Insured – Volunteer Workers

Your "volunteer workers", but only while performing duties related to the conduct of your business.

- (1) However, no "volunteer workers" are insureds for:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of rendering or the failure to render professional services.
 - (b) "Bodily injury" or "personal and advertising injury":
 - (i) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), your other "volunteer workers" or to your "employees" arising out of and in the course of their duties for you;

- (ii) To the spouse, child, parent, brother or sister of your "volunteer workers" or your "employees" as a consequence of paragraph (1) (a) above; or

(c) "Property damage" to property:

- (i) Owned, occupied or used by,
- (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your other "volunteer workers", your "employees", any partner or member (if you are a partnership or joint venture) or any member (if you are a limited liability company).

3. Additional Insured - Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Injury or damages under the "products-completed operations hazard" arising from all "occurrences" during the policy period is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. All other injury or damages, including medical expenses, arising from all "occurrences" during the policy period is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This aggregate limit does not apply to "property damage" to premises rented to you arising out of fire, lightning or explosion.

3. Subject to item 2. above, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Subject to item 2. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner, is the Damage To Premises Rented To You Limit shown in the Declarations.

The Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of the three.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in paragraph 3. above.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under the policy.

2. Duties in The Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified promptly of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place; and
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

This condition applies only when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) A manager if you are a limited liability company;
- (4) An "executive officer" or insurance manager, if you are a corporation; or
- (5) Any elected or appointed official, if you are a political subdivision or public entity.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

But this condition will not be considered breached unless the breach occurs after such claim or "suit" is known to anyone listed in 2 .a. (1) through (5) above.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this coverage form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this coverage form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Unintentional Failure to Disclose Hazards

It is agreed that based on our reliance on your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we shall not deny any coverage under this Coverage Form because of such failure.

7. Other Insurance - Primary Additional Insured

If the written contract or agreement or permit requires this insurance to be primary for any person or organization with whom you agree to include in WHO IS AN INSURED, this Other Insurance Provision is applicable.

If other valid and collectible insurance is available for a loss we cover under this Business Liability Coverage Form, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary. We will not seek contributions from other insurance available to the person or organization with whom you agree to include in WHO IS AN INSURED, except when b. applies.

b. Excess Insurance

This insurance is excess over:

- (1) Any other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. - Coverages.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
- When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

This provision provides such insurance as is afforded under this coverage form, but only with respect to your operations, "your work" or facilities owned or used by you.

F. OPTIONAL COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person or Organization

WHO IS AN INSURED under Section C. is amended to include as an insured the person or organization shown in the Declarations, but only with respect to liability arising out of your operations or premises owned by or rented to you.

2. Additional Insured - Managers or Lessors of Premises

a. WHO IS AN INSURED under Section C. is amended to include as an insured the person(s) or organization(s) shown in the Declarations; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations and subject to the following additional exclusions:

b. Additional Exclusions

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or for that person or organization.

3. Additional Insured - Grantor of Franchise

WHO IS AN INSURED under Section C. is amended to include as an insured the person(s) or organization(s) shown in the Declarations, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor of Leased Equipment

a. WHO IS AN INSURED under Section C. is amended to include as an insured the person(s) or organization(s) shown in the Declarations, but only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person(s) or organization(s).

b. Additional Exclusions:

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires; or
- (2) To "bodily injury" or "property damage" arising out of the sole negligence of the lessor.

5. Additional Insured - Owners or Other Interests From Whom Land Has Been Leased

WHO IS AN INSURED under Section C. is amended to include as an insured the person or organization shown in the Declarations, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations and subject to the following additional exclusion:

This insurance does not apply to:

- a. Any "occurrence" that takes place after you cease to lease that land; or
- b. Structural alterations, new construction or demolition operations performed by or for the person or organization shown in the Declarations.

6. Additional Insured - State or Political Subdivision - Permits

- a. WHO IS AN INSURED under Section C. is amended to include as an insured the state or political subdivision shown in the Declarations, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. Additional Exclusions

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or political subdivision; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured - Vendors

- a. WHO IS AN INSURED under Section C. is amended to include as an insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

b. Additional Exclusions

- (1) The insurance afforded the vendor does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

- (2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- (3) This Provision 7. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Form.

- (4) This Provision 7. does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of this Coverage Form or by endorsement.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C. is amended to include as an insured the person(s) or organization(s) shown in the Declarations but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees or Contractors – Scheduled Person or Organization.

WHO IS AN INSURED under Section C. is amended to include as insured the person or organization shown in the Declarations, but only with respect to liability arising out of your ongoing operations performed for that insured.

10. Additional Insured – Co-Owner of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an insured the person(s) or Organization(s) shown in the Declarations, but only with respect to their liability as co-owner of the premises shown in the Declarations.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:
 - a. (1) Radio;
 - (2) Television;
 - (3) Billboard;
 - (4) Magazine;
 - (5) Newspaper;
 - b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or
 - c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
 - b. An interactive conversation between or among persons through a computer network.
2. "Advertising idea" means any idea for an "advertisement".
 3. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
 4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.
 5. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a suit on the merits according to the substantive law in such territory, or in a settlement we agree to.
6. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

8. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
9. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - You have failed to fulfill the terms of a contract or agreement:
- if such property can be restored to use by:
- The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - Your fulfilling the terms of the contract or agreement.
10. "Insured contract" means:
- A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - A sidetrack agreement;
 - Any easement or license agreement;
 - Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - An elevator maintenance agreement; or
 - That part of any other contract or agreement pertaining to your business (including an indemnification of municipality in connection with work performed for a municipality) under which you assume the liability of another party to pay for "bodily injury" or "property damage" to a third person or organization.
- Paragraph f. does not include that part of any contract or agreement
- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
- Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

- Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.

11. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

12. "Loading or unloading" means the handling of property:

- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- While it is in or on an aircraft, watercraft or "auto"; or
- While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

13. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- Vehicles maintained for use solely on or next to premises you own or rent;
- Vehicles that travel on crawler treads;
- Vehicles, whether self-propelled or not, on which are permanently mounted:

- Power cranes, shovels, loaders, diggers or drills; or

- Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;

Paragraphs (a), (b) and (c) above do not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

14. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

15. "Personal and advertising Injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;

- d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

- e. Oral, written or electronic publication of material that violates a person's right of privacy;

- f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";

- g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or

- h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

- (1) Not done intentionally by or at the direction of:

(a) The insured; or

(b) Any executive officer, director, stockholder, partner or member of the insured; and

- (2) Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.

This paragraph h. does not apply in the States of Nebraska and Kansas.

16. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

17. "Products-completed operations hazard";

- a. Includes all "bodily injury" and "property damage" arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or

- (2) Work that has not yet been completed or abandoned.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.

(2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

(3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

c. This hazard does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

18. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

Computerized or electronically stored data, programs or software are not tangible property.

19. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

20. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

21. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

22. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

23. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.



SUPER STRETCH SUMMARY

SUMMARY OF COVERAGE LIMITS

This is a summary of the Coverages and the Limits of Insurance provided by the Super Stretch Coverage form SS 04 74 which is included in this policy. No coverage is provided by this summary. Refer to coverage form SS 04 74 to determine the scope of your insurance protection.

Blanket Coverage Limit : \$150,000
Blanket Coverages

Accounts Receivable
Computers and Media
Debris Removal
Personal Property of Others
Temperature Change
Valuable Papers and Records

Coverage
Limit

Back Up of Sewer or Drain Water Damage	Included
Brands and Labels	Included
Claim Expenses	\$ 10,000
Computer Fraud	\$ 5,000
Employee Dishonesty (including ERISA)	\$ 25,000
Fine Arts	\$ 25,000
Forgery	\$ 25,000
Laptop Computers Worldwide Coverage	\$ 10,000
Newly Acquired or Constructed Property	
Building	\$1,000,000
Business Personal Property	\$ 500,000
Off Premises Utility Services – Direct Damage	\$ 25,000
Outdoor Property (\$1,000 limit per item)	\$ 25,000 aggregate
Outdoor Signs	Included
Pairs or Sets	Included
Personal Effects	\$ 25,000
Property at Other Premises	\$ 10,000
Property Off-Premises	\$ 25,000
Salespersons' Samples	\$ 5,000
Tenant Building Coverage-Required by Lease	\$ 20,000
Transit Property in the Care of Carriers for Hire	\$ 10,000
Valuation Changes	Included

The following changes apply only if Business Income and Extra Expense are covered under this policy.

Business Income at Newly Acquired Premises	\$ 500,000
Business Income Extension for Off-Premises Utility Services	\$ 25,000
Business Income Extension for Web Sites	\$ 50,000/7 days
Business Income from Dependent Properties	\$ 50,000
Extended Business Income	90 Days



BUILDING STRETCH SUMMARY

SUMMARY OF COVERAGE LIMITS

This is a summary of the Coverages and the Limits of Insurance provided by the building BUILDING STRETCH Coverage form SS 04 52 which is included in this policy. No coverage is provided by this summary. Refer to coverage form SS 04 52 to determine the scope of your insurance protection.

Coverage	Limit
Back Up of Sewer or Drain Water Damage	Included
Claim Expenses	\$ 10,000
Debris Removal	\$ 25,000
Lessor's – Tenant Move Back Expenses *	\$ 10,000
Lessor's – Lease Cancellation	\$ 10,000
Newly Acquired or Constructed Property	
- Building	\$1,000,000
- Business Personal Property	\$ 500,000
Off Premises Utility Services – Direct Damage	\$ 10,000
Ordinance or Law	
- Undamaged Part	Included
- Demolition Cost	\$ 50,000
- Increased Cost of Construction	\$ 50,000
Outdoor Property (\$1,000 limit per item)	\$25,000 aggregate
Outdoor Signs	Included

The following changes apply only if Business Income and Extra Expense are covered under this policy.

Business Income Extension for Off Premises Utility Services	\$ 25,000
Business Income at Newly Acquired Premises	\$ 500,000



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS
STANDARD PROPERTY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM
BUSINESS LIABILITY COVERAGE FORM
PRINTING SERVICES ERRORS AND OMISSIONS LIABILITY**

The provisions of paragraphs A., B., C., and D. apply unless paragraph E. applies.

A. Paragraphs 1, 2., 3. and 5. of the CANCELLATION Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

2. CANCELLATION OF POLICIES IN EFFECT:

a. 60 DAYS OR LESS

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in paragraph (2) below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;
 - (d) After issuance of the policy or after the last renewal date, discovery of an act or omission or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;

- (e) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

- (f) Required pursuant to a determination by the Superintendent that the continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

- (g) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

- (h) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds.

If we cancel for this reason, you may make a written request to the Insurance Department, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this

cancellation notice to the Insurance Department.

b. FOR MORE THAN 60 DAYS

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed in paragraph **a (2)**, above, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and the authorized agent or broker.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the CANCELLATION Common Policy Condition:

7. If one of the reasons for cancellation in paragraph **A.2.a.(2)** or **F.2.b.(2)** exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

C. The following Conditions are added:

1. NONRENEWAL

If we decide not to renew this policy, we will send notice as provided in paragraph **C.3.** below.

2. CONDITIONAL RENEWAL

If we condition renewal of this policy upon:

- (a) Change of limits;
- (b) Change in type of coverage;
- (c) Reduction of coverage;
- (d) Increased deductible;
- (e) Addition of exclusion; or

- (f) Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added; or increased exposure units; or as a result of experience rating, loss rating, or retrospective rating or audit;

we will send notice as provided in paragraph **C.3.** below.

3. NOTICES OF NONRENEWAL AND CONDITIONAL RENEWAL

- a. If we decide not to renew this policy or to conditionally renew this policy as provided in paragraphs **C.1.** and **C.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

- (1) The expiration date; or
- (2) The anniversary date if this is a continuous policy.

- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- d. If we violate any of the provisions of paragraph **C.3.a.**, **b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal or a late nonrenewal notice:

- (1) Coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered unless the first Named Insured, during this 60 day period, has replaced the coverage or elects to cancel.

- (2) On or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the

prior period's rates, unless the first Named Insured during this additional policy period, has replaced the coverage or elects to cancel.

- e. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.

D. The following provisions apply to the BUSINESS LIABILITY COVERAGE FORM and to the PRINTING SERVICES ERRORS AND OMISSIONS LIABILITY endorsement:

1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with paragraph C.3.d. above.
2. The last sentence of LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE in the BUSINESS LIABILITY COVERAGE FORM and of SECTION III LIMITS OF INSURANCE in the PRINTING SERVICES ERRORS AND OMISSIONS LIABILITY endorsement does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

E. If this policy covers buildings or structures containing 1 to 4 dwelling units, the provisions of paragraphs F., G. and H. of this endorsement apply:

F. Paragraph 2. of the CANCELLATION Common Policy Condition is replaced by the following:

2. Procedure and Reasons For Cancellation

- a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- b. But if this policy:
 - (1) Has been in effect for more than 60 days; or
 - (2) is a renewal of a policy we issued:

we may cancel this policy only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Conviction of a crime arising out of acts increasing the risk of loss;
- (c) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
- (d) Discovery of willful or reckless acts or omissions increasing the risk of loss;
- (e) Physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly applied underwriting standards in effect when we:
 - (i) Issued the policy; or
 - (ii) Last voluntarily renewed the policy;
- (f) The Superintendent of Insurance's determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (g) Required pursuant to a determination by the Superintendent of Insurance that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

G. CONDITIONAL CONTINUATION

Instead of canceling this policy, we may continue it on the condition that:

1. The policy limits be changed; or
 2. Any coverage not required by law be eliminated.
- If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

H. NONRENEWAL

If, as allowed by the laws of New York State, we:

1. Do not renew this policy; or
2. Condition policy renewal upon :

(a) Change of limits; or

(b) Elimination of coverage;

we will mail or deliver written notice of nonrenewal or conditional renewal:

(1) At least 45 days; but

(2) Not more than 60 days;

before the expiration date of the policy. We will mail or deliver notice to the first Named Insureds last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- I. The last subparagraph in paragraph 3. of the PREMIUMS Common Policy Condition is replaced by the following:

Our forms then in effect will apply. If you do not pay the continuation premiums, this policy will be cancelled in accordance with the cancellation procedures for nonpayment of premium as amended in paragraph A. above.

- J. If this policy covers the interest of the owner of any of the following types of buildings or structures:

(1) Residential (except 1 or 2 family buildings or structures);

(2) Commercial; or

(3) Industrial;

the following provision is added:

Before payment to you for loss or damage to the above buildings or structures caused by or resulting from fire, we will:

1. Deduct from your payment the claim of any tax district that issues a certificate of lien in accordance with the Insurance Law; and
2. Pay directly to the tax district the amount of the claim.

When we pay that claim, we will have no obligation to pay the amount of that claim to you. Our payment of that claim within 30 days of our receipt of the certificate of lien will be a conclusive presumption that the claim was valid and properly paid.

- K. When the property is subject to the Anti-Arson Application in accordance with New York Insurance Department Regulation No. 96, the following provisions are added:

Unless you return the completed, signed and affirmed anti-arson application to us:

1. Or our broker or agent within 45 days of the effective date of the policy, we will rescind this entire policy by giving:

a. 5 days written notice to you; and

b. 10 days written notice to our mortgage holder shown in the Declarations.

2. 15 days before the expiration date of the policy, we will not renew the policy. We will give written notice of nonrenewal:

a. To you at least 5 days before the expiration date of the policy; and

b. To the mortgage holder shown in the Declarations at least 10 days before the expiration of the policy.

If the notice in 1. or 2. above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

The provisions of this paragraph regarding notice of nonrenewal supersede all other provisions of this policy, including this endorsement, regarding nonrenewal.

- L. The following is added to:

The Duties in The Event of Loss or Damage PROPERTY LOSS CONDITION in the Standard or Special Property Coverage Form:

a. Notice given by or on your behalf; or

b. Written notice by or on behalf of any claimant;

to any of our agents in New York State, which adequately identifies you, will be the same as notice to us.

- M. Paragraphs F.2.f. and F.2.g. of the MORTGAGE HOLDERS Property General Condition are replaced by the following:

f. CANCELLATION

- (1) If we cancel this policy, we will give written notice to the mortgage holder at least:

(a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(b) 30 days before the effective date of cancellation if we cancel for any other reason.

- (2) If you cancel this policy, we will give written notice to the mortgage holder. With respect to the mortgage holder's interest only, cancellation will become effective on the later of:

(a) The effective date of cancellation of the insured's coverage; or

(b) 10 days after we give notice to the mortgage holder.

g. NONRENEWAL

- (1) If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.
- (2) If you elect not to renew this policy, we will give written notice to the mortgage holder. With respect to the mortgage holder's interest only, nonrenewal will become effective on the later of:
 - (a) The expiration date of the policy; or
 - (b) 10 days after we give notice to the mortgage holder.

- N. In Section **A.5. Coverage Extensions**, paragraph f. Arson Reward of the Standard Property Coverage Form is deleted and does not apply to any property which is located in the State of New York.
- O. In Section **A.6. Coverage Extensions**, paragraph f. Arson Reward of the Special Property Coverage Form is deleted and does not apply to any property which is located in the state of New York.
- P. In Section **D.2. Deductibles**, item **a.(5)** Arson Reward of the Standard Property Coverage Form and the Special Property Coverage Form is deleted and does not apply in the state of New York.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES - TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

The following Condition is added to Business Liability Coverage Form:

Transfer of Duties When a Limit of Insurance is Used Up.

a. If we conclude that based on "occurrences," offenses, claims or "suits" which have been reported to us and to which this insurance may apply, the:

- (1) General Aggregate Limit (other than the Products/Completed Operations Aggregate Limit);
- (2) Products/Completed Operations Aggregate Limit;
- (3) Personal and Advertising Injury Limit;
- (4) Each Occurrence Limit; or
- (5) Fire Damage Limit

is likely to be used up in the payment of judgments or settlements, we will notify the first **Named Insured**, in writing, to that effect.

b. When a limit of insurance described in paragraph a. above has actually been used up in the payment of judgments or settlements:

- (1) We will notify the first **Named Insured** in writing, as soon as practicable, that:
 - (a) Such a limit has actually been used up; and
 - (b) Our duty to defend "suits" seeking damages subject to that limit has so ended.
- (2) We will initiate, and cooperate in, the transfer of control, to any appropriate **insured**, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before the limit is used up. That **insured** must cooperate in the transfer of control of said claims and "suits."

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is

completed, provided the appropriate **insured** is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- (3) The first **Named Insured** and any other **insured** involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate **insured** and us. Absent any such agreement arrangements for the defense of such "suit" must be made as soon as practicable.

c. The first **Named Insured** will reimburse us for expenses incurred in taking those steps we deem appropriate in accordance with paragraph b.(2) above.

The duty of the first **Named Insured** to reimburse us will begin on:

- (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph a. above; or
- (2) The date on which we sent notice in accordance with paragraph b.(1) above, if we did not send notice in accordance with paragraph a. above.

d. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of these Conditions.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES - FRAUD

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM
BUSINESS LIABILITY COVERAGE FORM**

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

FRAUD

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

This coverage is subject to the provisions applicable to the Standard Property Coverage Form or the Special Property Coverage Form, including the deductible, except as provided below.

A. Ordinance or Law - Undamaged Part

If a Covered Cause of Loss occurs to covered Building property shown in the Declarations, we will pay for loss to the undamaged portion of the Building caused by enforcement of any ordinance or law that:

1. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
2. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the "scheduled premises"; and
3. Is in force at the time of loss.

This coverage is included within the Limit of Insurance applicable to the covered Building property shown in the Declarations.

B. Demolition Cost

If a Covered Cause of Loss occurs to covered Building property shown in the Declarations with a Limit of Insurance for Demolition Cost, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

C. Increased Cost of Construction

If a Covered Cause of Loss occurs to covered Building property shown in the Declarations with a Limit of Insurance for Increased Cost of Construction, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the Increased Cost of Construction if the Building is not repaired or replaced.

D. Additional Exclusions:

The following additional exclusions apply to the coverage afforded by this endorsement. We will not pay for:

1. The enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot, bacteria or virus; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants and contaminants", "fungi", wet or dry rot, bacteria or virus.
3. Loss caused by, resulting from, contributed to or aggravated by earthquake or volcanic eruption.
4. Loss due to an ordinance or law that:
 - a. You were required to comply with before the loss even if the building was undamaged; and
 - b. You failed to comply with.

E. Applicable to Ordinance or Law - Undamaged Part:

1. If Replacement Cost applies and the property is repaired or replaced on the same or other premises, we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than the lesser of:
 - a. The amount you actually spend to repair, rebuild or reconstruct the Building, but not for

more than the amount it would cost to restore the Building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- b. The Limit of Insurance applicable to the covered Building property.

- 2. If the Building(s) Full Value Endorsement applies and the property is repaired or replaced, on the same or another premises, we will not pay more for physical loss of or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- a. The amount you actually spend to repair, rebuild or reconstruct the Building, but not for more than the amount it would cost to restore the Building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- b. The amount payable under the Building(s) Full Value Endorsement.

- 3. a. If Replacement Cost or the Building(s) Full Value Endorsement applies and the property is not repaired or replaced; or

- b. If actual cash value applies;

We will not pay more for physical loss or physical damage to designated Building property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (1) The actual cash value of the Building at the time of loss; or

- (2) The Limit of Insurance applicable to the covered Building property.

F. Applicable to Demolition Cost:

We will not pay more than the lesser of:

- 1. The amount actually spent to demolish and clear the site of the "scheduled premises"; or
- 2. The applicable Demolition Cost Limit of Insurance shown in the Declarations.

G. Applicable to Increased Cost of Construction:

- 1. We will not pay under Increased Cost of Construction:

- a. Until the property is actually repaired or replaced, at the same or another premises; and

- b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- 2. If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the lesser of:

- a. The increased cost of construction at the same premises; or

- b. The applicable Increased Cost of Construction Limit of Insurance shown in the Declarations.

- 3. If the ordinance or law requires relocation to another premises, the most we will pay is the lesser of:

- a. The increased cost of construction at the new premises; or

- b. The applicable Increased Cost of Construction Limit of Insurance shown in the Declarations.

H. The following definition is added to Paragraph G., Property Definitions:

- 1. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME EXTENSION FOR OFF-PREMISES UTILITY SERVICES

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

This insurance applies only when Business Income and Extra Expense is shown in the Declarations as applicable. Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

A. BUSINESS INCOME EXTENSION FOR OFF-PREMISES UTILITY SERVICES

This Coverage Extension applies only when the Business Income Additional Coverage is included in this policy.

We will pay for loss of Business Income or Extra Expense at the "scheduled premises" caused by the interruption of service to the "scheduled premises". The interruption must result from direct physical loss or physical damage by a Covered Cause of Loss to the following property not on "scheduled premises":

1. "Water Supply Services";
2. "Communication Supply Services"; or
3. "Power Supply Services".

B. WAITING PERIOD

We will only pay for loss you sustain after the first 12 consecutive hours following the direct physical loss of or physical damage to the off-premises property to which this endorsement applies. We will not pay for any reduction in business income or extra expense after electricity, steam or gas has been restored to the "scheduled premises".

C. LIMIT OF INSURANCE

The most we will pay for loss under this extension is \$25,000 at each "scheduled premises".

D. ADDITIONAL DEFINITIONS

1. **"Water Supply Services"**, meaning the following types of property supplying water to the "scheduled premises":
 - a. Pumping stations; and
 - b. Water mains.
2. **"Communication Supply Services"**, meaning property, including overhead transmission lines supplying communication services, including telephone, radio, microwave or television services, to the "scheduled premises", such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables; and
 - c. Microwave radio relays except satellites.
3. **"Power Supply Services"**, meaning the following types of property supplying electricity, steam or gas, including overhead transmission lines to the "scheduled premises":
 - a. Utility generating plants;
 - b. Switching stations;
 - c. Substations;
 - d. Transformers; and
 - e. Transmission Lines.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSIT COVERAGE – PROPERTY IN THE CARE OF CARRIERS FOR HIRE

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement the terms and conditions of the policy and of the Special Property Coverage Form apply to the insurance stated below.

A. With respect to this Transit Coverage – Property in the Care of Carriers for Hire only, the following changes are made to the Special Property Coverage Form:

1. Under **A.4. Limitations**, subparagraph **c.(3)** which limits coverage for patterns, dies, molds and forms, is deleted.
2. Under **B. Exclusions**
 - a. Exclusions **1.a.** (Earth Movement) and **1.f.** (Water) do not apply to property in transit.
 - b. Exclusions **2.e.** (Dishonesty) and **2.g.** (Exposed Property) do not apply to property in custody of a carrier for hire.
 - c. Exclusion **2.f.** (False Pretense) does not apply to loss or damage caused by your good faith acceptance of false bills of lading or shipping receipts.
 - d. The following Exclusion is added:
We will not pay for physical loss or physical damage caused by or resulting from poor or insufficient packaging or packing.

B. Transit Coverage – Property in the Care of Carriers for Hire

1. The insurance that applies to your Business Personal Property and Personal Property of Others is extended to apply to shipments of that property while in transit at your risk, by motor vehicle, railroad car or aircraft between points within the Coverage Territory. This includes property you have sold and for which your responsibility continues until it is delivered.

2. The Transit Coverage – Property in the Care of Carriers for Hire also applies to:

a. Expenses to Inspect, Repackage and Reship Damaged Shipments

The necessary additional expenses you incur to inspect, repackage and reship Covered Property which is physically damaged as a result of a Covered Cause of Loss.

b. Expenses to Protect Covered Property from Spoilage or Change in Temperature

The necessary additional expense you incur to temporarily store Covered Property in a temperature controlled environment in order to avoid or minimize physical loss or physical damage to such property from spoilage or change in temperature. Such temporary storage must be made necessary by the sudden and accidental breakdown of heating or refrigeration unit(s) on transporting conveyances.

This additional expense will not include:

- (1) Expenses to repair or replace heating or refrigeration unit(s);
- (2) Costs or penalties due to detention or delay of any vehicles, trailers, conveyances or containers; or
- (3) Costs for additional wages, room, board or meals.

c. F.O.B. Shipments

Outgoing shipments where the risk of physical loss or physical damage is transferred to the buyer when such property leaves your premises.

You must use all reasonable means to collect the amount due you from the buyer

before making a claim under this Transit Coverage. We will not make payment until you grant us the right of recovery against the buyer.

d. Loading and Unloading

Shipments during loading or unloading and within 500 feet of any transporting conveyance.

e. Return Shipments

Outgoing shipments which have been rejected by the consignee or are not deliverable, while:

- (1) In due course of transit, being returned to you; or
- (2) Up to 10 days after delivery or attempted delivery awaiting return shipment to you.

Payment under paragraphs a., b., c., d. and e. above will not increase the Transit Coverage Limit of Insurance.

C. Under this Transit Coverage – Property in the Care of Carriers for Hire, we will not pay for:

1. Property in the care, custody or control of your salespersons.
2. Mail shipments in the custody of the U.S. Postal Service.
3. Property of Others for which you are responsible as a:
 - a. Carrier for hire; or
 - b. Carloader, consolidator, broker, freight forwarder, shipping association, or other arranger of transportation.
4. Property in or on a motor vehicle you own, lease or operate.

D. Limit of Insurance

The Limit of Insurance shown in the Declarations for Transit Coverage – Property in the Care of Carriers for Hire is the most we will pay for all physical loss or physical damage in any one occurrence to property insured under this endorsement.

E. Deductible

We will not pay for physical loss or physical damage in any one occurrence until the amount of physical loss or physical damage exceeds \$250. We will then pay the amount of physical loss or physical damage in excess of \$250 up to the applicable Limit of Insurance.

F. Additional Conditions

1. Valuation

Property Loss Condition E.5. is deleted and replaced by the following:

a. Valuation

(1) Property You Own

The value of Covered Property will be the amount of invoice plus accrued charges, prepaid charges and charges since shipment; or

- (2) In the absence of an invoice, the value of Covered Property will be its actual cash value, with proper deduction for depreciation, at the point of destination on the date of expected arrival.

b. Property of Others

The most we will pay for Covered Property owned by others is the lesser of:

- (1) Your legal liability for direct physical loss or physical damage to such property; or
- (2) What we would pay if you had owned the property.

2. Impairment of Rights of Recovery

We will not pay for physical loss or physical damage, if you impair our rights to recover damages from any carrier for hire. But you may accept from carriers for hire bills of lading, receipts or contracts of transportation which contain a limitation of value.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACCOUNTS RECEIVABLE

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

A. When shown in the Declarations as applicable, the Limit of Insurance stated in paragraph **A.5.a.(1), Accounts Receivable**, in the Standard Property Coverage Form and **A.6.a.(1), Accounts Receivable**, in the Special Property Coverage Form is replaced by the Limit of Insurance for Accounts Receivable shown in the Declarations. All other terms and conditions of the Accounts Receivable Coverage Extension apply to this Optional Coverage.

B. Limit of Insurance

The most we will pay under this coverage extension in any one occurrence is the Limit of Insurance shown in the Declarations for Accounts Receivable.

C. Deductible

We will not pay for loss in any one occurrence unless the amount of loss exceeds the policy deductible stated in the Declarations. We will then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

D. Additional Conditions

- (1) If you cannot accurately establish the value of accounts receivable outstanding as of the time of direct physical loss or physical damage the following method will be used:
 - (a) Determine the total of the average monthly value of accounts receivable for the 12 months immediately preceding the month in which the direct physical loss or physical damage occurred; and
 - (b) Adjust that total for any normal fluctuations in the value of accounts receivable for the month in which the direct physical loss or physical damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total value of accounts receivable, however that value is established:
 - (a) The value of the accounts for which there is no loss or damage;
 - (b) The value of the accounts that you are able to reestablish or collect;
 - (c) A value to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPUTERS AND MEDIA

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

A. COMPUTER EQUIPMENT

1. We will pay for direct physical loss or physical damage, to "computer equipment", subject to the Limit of Insurance shown in the Declarations for Computers And Media while anywhere within the policy territory, and while in transit, but only if:
 - a. Owned by you; or
 - b. Owned by others but in your care, custody and control regardless of whether you use it for personal or business needs.
2. "Computer Equipment" as used in this Optional Coverage means:
 - a. "Computers";
 - b. "Peripheral devices";
 - c. "Media"; and
 - d. Manuals that are purchased to be used in conjunction with hardware and "software".
3. "Computer Equipment" does not include:
 - a. "Data" or "software".
 - b. Source documents, other than manuals purchased with hardware or "software";
 - c. Worksheets and printouts;
 - d. Property held for sale or lease;
 - e. Property leased or rented to others; or
 - f. "Money", deeds, notes, "securities" or other financial instruments, including such instruments in electronic form.

4. Direct physical loss or physical damage to "Computer Equipment" is extended to include the following:

- a. Electromagnetic injury caused by:
 - (1) Blackout or brownout;
 - (2) Transients, spikes, surges and other power failure; and
 - (3) Airport security check, and radio or telephone line interference;
- b. Headcrash, meaning physical damage to disks, tapes or hardware caused by a contact of electromagnetic heads (which read or write information) with such disks or tapes; and
- c. Damage caused by a "computer virus".
- d. Theft of "computer equipment". Theft means an act of stealing or an attempt to steal. Theft includes loss of property from a known place when it is likely that the property has been stolen.

5. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence to "computer equipment" until the amount of loss or damage exceeds \$250, unless a separate deductible is stated in the Declarations for Computers and Media Coverage.

B. DATA AND SOFTWARE

1. We will pay to research, replace or restore physically lost or physically damaged "data" or "software" subject to the Limit of Insurance shown in the Declarations for Computers and Media while anywhere within the policy territory, and while in transit, but only if:
 - a. Owned by you; or
 - b. Owned by others but in your care, custody and control regardless of whether you use it for personal or business needs.

However, this coverage is provided only when such physical loss or physical damage is caused by one or more of the following:

- a. Direct physical loss of or physical damage to "computer equipment" for which coverage is provided by this endorsement.
 - b. Electrical or magnetic injury to, or disturbance or erasure of covered "data" or "software" which results from power failure originating at your premises or within 1000 feet from the building containing the "data" and "software".
 - c. Loss of or damage to "data" or "software" caused by a "computer virus".
2. We will not pay to research, replace or restore physically lost or physically damaged "data" or "software" which is licensed, leased or rented to others.

C. Additional Coverage

1. Unless Business Income Coverage has been deleted from this policy, the Additional Coverage in the Standard or Special Property Coverage Form for Business Income, Extra Expense, Civil Authority and Extended Business Income apply to the "computer equipment", "data" and "software" which are covered in this endorsement. However, the Additional Coverage for Business Income is subject to the following:
 - a. **Waiting Period**
We will not pay for any covered Business Income loss you sustain under this provision due to physical loss or physical damage to "data", or "software" caused by a computer virus which results in the necessary suspension (slowdown or cessation) of your business described in the Declarations during the first 12 hours that immediately follow the start of such suspension.
 - b. Such Waiting Period applies independent of the deductible applicable to Computer Equipment.
 - c. The Limit of Insurance for Computers and Media shown in the Declarations.
2. When this endorsement is attached to the Special Property Coverage Form, the Additional Coverage for Equipment Breakdown applies.
3. When this policy provides Earthquake Coverage, the Limit of Insurance for Computers and Media is in addition to the Limit of Insurance shown in the Declarations for Earthquake Coverage.

- D. The provisions of this endorsement do not override or in any way affect the application of the Exclusion Of Certain Computer Related Losses if such exclusion is endorsed to or otherwise made a part of this policy. That exclusion addresses the inability of a computer system to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

- E. Paragraph A.3. Covered Causes of Loss, and Section B., Exclusions, do not apply to coverage provided by this endorsement, except for:

1. Earth Movement; and
2. Governmental Action;
3. Nuclear Hazard;
4. War and Military Action;
5. Water.

F. Additional Exclusions

We will not pay for loss or damage caused by or resulting from:

1. Input, programming or processing errors;
2. Mechanical breakdown or failure, however headcrash will not be considered as a mechanical breakdown or failure. This exclusion does not apply to coverage provided under the Additional Coverage provisions of this endorsement;
3. Faulty construction, materials or workmanship;
4. Error, omission or deficiency in design;
5. Short circuit blowout or other electrical disturbance within the computer system. This exclusion does not apply to coverage provided under the Additional Coverage provisions of this endorsement;
6. Rust, corrosion, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
7. Dryness or dampness of atmosphere; changes in or extremes of temperature;
8. Wear and tear, marring or scratching;
9. Insects, birds, rodents, or other animals
10. Obsolescence;
11. Dishonest or criminal acts by you, any of your partners, employees, trustees, authorized representatives or anyone to whom you entrust the property for any purpose, whether acting alone or in collusion with others;
12. Unexplained disappearance, however we cover theft of "computer equipment" as provided in provision A.4.d.

13. Unlawful trade, or seizure by orders of governmental authority.

14. Delay or loss of market; and

15. Theft of laptop, palmtop or similar portable property while in transit as checked baggage.

G. Exclusion F.5. does not apply to short circuits or the internal electromagnetic damage by an electromagnetic disturbance outside the system.

H. Limit of Insurance

The most we will pay for physical loss or physical damage in any one occurrence is the Limits of Insurance for Computers and Media shown in the Declarations.

I. Loss Payment

This Loss Payment condition is applicable to the "computer equipment", "data", and "software" coverage provided by this endorsement. We will determine the value of Covered Property as follows:

1. "Computers," "peripheral devices", "media", and manuals at the full cost of repair or replace the property subject to the Limit of Insurance. However, we will not pay more for physical loss or physical damage on a replacement cost basis than the lesser of and the following:

a. The amount necessary to replace the item with similar property possessing the minimum characteristics necessary to perform the same functions when replacement with identical property is not possible or practical.

b. The amount necessary to repair or replace the item with one substantially identical to the physically lost or physically damaged item. In the event of a covered total loss to one or more items, we will allow up to 20% over the current replacement cost as described in this provision, as an Optional Upgrade Allowance for the purchase of new property with upgraded

processing or performance characteristics. This Optional Upgrade Allowance will, at our option, be payable after you have purchased the replacement property and have provided us with written proof of such purchases; or

c. If the item is not repaired or replaced, we will pay not more than the actual cash value of the item at the time of physical loss or physical damage. If you elect this option, you have the right to make further claim within 180 days after loss for any additional payment on a replacement cost basis.

2. In the event of physical loss or physical damage to "data" or "software", we will pay the reasonable amount you actually spend to reproduce, restore, or replace the physically lost or physically damaged "data" or "software". This includes the cost of computer consultation services for restoration and the cost of research to reconstruct lost or damaged information. But we will not pay more than the Limit of Insurance for Computers and Media specified in the Declarations.

3. In the event of physical loss or physical damage to any part of "computer equipment", "data" or "software", we will pay only what it would cost to replace, reproduce, or restore the physically lost or physically damaged part.

J. Additional Definitions

1. "Computer Virus" means a program, which is intentionally created to cause damage or disruption in the computer operations of a party using or coming in contact in any way with the program.

2. "Computer Equipment" means "computers", "peripheral devices", "media", and manuals that are purchased to be used in conjunction with hardware and "software".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE DISHONESTY COVERAGE

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

The following is added to Additional Coverages:

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

1. Covered Property

Covered Property means "money", "securities", and other tangible property of intrinsic value and not otherwise excluded.

2. Covered Causes of Loss

Covered Causes of Loss means dishonest acts committed by an "employee", except you, whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

- a. Cause you to sustain loss; and also
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions or other employee benefits earned in the normal course of employment) for:
 - (1) That "employee"; or
 - (2) Any person or organization intended by the "employee" to receive that benefit.

3. Additional Coverages

a. Employees Temporarily Outside Coverage Territory

We will pay for loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

b. Employees at Client or Customer Premises

We will pay for any loss caused by your "employee" while at the premises of your client or customer.

Any claim for loss sustained by any client or customer and covered by this policy may only be made by you in your Proof of Loss. No third party has a direct right against this insurance and no third party may make a direct claim against us as the writer of your insurance.

c. Welfare and Pension Plan ERISA Compliance

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

- (1) For the purposes of this insurance, the following are added as Named Insureds under this Employee Dishonesty Coverage:

- (a) Any Employee Welfare Benefit Plan, or
- (b) Any Employee Benefit Pension Plan (hereafter called Plan)

owned, controlled or operated by you and which you provide solely for the benefit of your employees.

- (2) "Employee" also includes any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereafter called Plan) insured under this insurance; and

(b) Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.

- (3) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance under this Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.

- (3) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by any Plan will be held by that insured for the use and benefit of the Plan(s) sustaining the loss.

- (4) If two or more Plans are insured under this insurance, any payment we make for loss:

(a) Sustained by two or more plans or

(b) Of commingled funds or other property of two or more Plans

That arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

- (5) The deductible provision does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.

B. EXCLUSIONS

The following Exclusions apply in addition to the Exclusions in the Crime Common Conditions and Exclusions.

1. Employee Terminated Under Prior Insurance

We will not pay for loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been terminated and not reinstated since the last such termination.

2. Insurance Operations

We will not pay for direct or indirect loss resulting from contractual or extra-contractual liability sustained by you in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

3. Inventory Shortages

We will not pay loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- a. An inventory computation; or
- b. A profit and loss computation.

4. Partners

We will pay only for loss caused by any partner or member of a limited liability corporation that is in excess of the sum of:

- a. Any amounts you owe that partner or member; and
- b. The value of that partner's or member's ownership interest determined by the closing of you organization's books on the date of discovery of the loss by anyone in your organization not involved in the Employee Dishonesty; and
- c. Any applicable deductible amount.

5. Trading Loss

We will not pay for loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

C. ADDITIONAL CONDITIONS

The following conditions apply.

Termination As To Any "Employee"

This insurance is terminated as to any "employee":

1. Immediately upon discovery by;
 - a. You; or
 - b. Any of your partners, officers or directors not in collusion with the "employee";
- Of any dishonest act committed by that "employee" whether before or after becoming employed by you.
2. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

D. LIMIT OF INSURANCE

The most we will pay for each occurrence of loss under this endorsement is the Employee Dishonesty Limit of Insurance stated in the Declarations.

The Additional Coverages specified in this endorsement are included in this Limit of Insurance.

E. DEDUCTIBLE

We will not pay for loss in any one occurrence unless the amount of loss exceeds the Deductible shown Paragraph D.5. of the Standard Property Coverage Form or Paragraph D.4. the Special Property Coverage Form, unless a separate Deductible for Employee Dishonesty applies and is stated in the Declarations. We will then pay the amount of the loss in excess of the Deductible, up to the Limit of Insurance.

F. OCCURRENCE DEFINITION

As used in this Endorsement, occurrence means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTDOOR SIGNS

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

A. We will pay for direct physical loss of or physical damage to all outdoor signs at the "scheduled premises":

- (1) Owned by you; or
- (2) Owned by others but in your care, custody and control.

B. Paragraph **A.3.**, Covered Causes of Loss, and Section **B.**, Exclusions, do not apply, to this Optional Coverage, except for:

- (1) Governmental Action;
- (2) Nuclear Hazard; and
- (3) War and Military Action.

C. Additional Exclusion

We will not pay for physical loss or physical damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

D. Limit of Insurance

The most we will pay for physical loss or physical damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

E. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY OF OTHERS

This endorsement modifies insurance provided under the following:

**STANDARD PROPERTY COVERAGE FORM
SPECIAL PROPERTY COVERAGE FORM**

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

We will pay, on replacement cost basis, for direct physical loss or physical damage by a Covered Cause of Loss to Personal Property of Others that is in your care, custody and control.

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance applicable to Personal Property of Others shown in the Declarations.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEMPERATURE CHANGE

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

A. We will pay for direct physical loss of or physical damage to "perishable stock" at the "scheduled premises" caused by or resulting from:

1. A change in temperature or humidity resulting from:

(a) Mechanical breakdown or failure of:

- (1) Stationary heating plants; or
- (2) Refrigerating, cooling or humidity control apparatus or equipment;

But only while such plants, equipment or apparatus are at the "scheduled premises".

(b) Complete or partial failure of electric power, either on or away from your "scheduled premises". Such failure of power must be due to conditions beyond your control; or

2. Contamination by a refrigerant.

B. SELLING PRICE

We will determine the value of finished "perishable stock" in the event of direct physical loss or physical damage at the selling price, as if no physical loss or physical damage had occurred less discounts and expenses you otherwise would have had.

C. We will not pay for direct physical loss of or physical damage to "perishable stock" located:

- 1. On buildings;
- 2. In the open; or
- 3. In vehicles.

D. EXCLUSIONS

1. The following exclusions under SECTION B - EXCLUSIONS are deleted:

(a) Ordinance or Law;

(b) Power Failure; and

(c) Mechanical Breakdown in the Standard Property Coverage Form.

2. The following exclusions are added:

We will not pay for direct physical loss or physical damage caused by or resulting from:

(a) The disconnecting of any of the following systems from the source of power:

- (1) Refrigerating;
- (2) Cooling; or
- (3) Humidity control.

(b) The loss of electrical power caused by the shutting off of any switch or other device used to control the flow of electric power or current.

(c) The inability of an electrical utility company, your stationary heating plant or any other power source to provide sufficient heat or power due to:

- (1) Lack of fuel;
- (2) Lack of capacity to make enough heat or power; or
- (3) Order of the government.

(d) Breaking of any glass that is a permanent part of a refrigerating, cooling or humidity control unit.

E. DEDUCTIBLE

We will not pay for loss in any one occurrence unless the amount of loss exceeds the deductible stated in paragraph D.5. of the Standard Property Coverage Form or D.4. of the Special Property Coverage Form., unless a different deductible is stated in the

Declarations for Temperature Change. We will then pay the amount of loss in excess of the deductible, up to the Limit of Insurance.

F. LIMIT OF INSURANCE

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance for Temperature Change shown in the Declarations.

G. ADDITIONAL CONDITIONS

1. We will pay for direct physical loss or physical damage under this Optional Coverage only when:
 - (a) Such physical loss or physical damage is not covered elsewhere in this policy or any other policy that insures the "perishable stock" at the "scheduled premises"; and
 - (b) This Temperature Change coverage is shown as a specific item of insurance in the Declarations.
2. In the event of physical loss or physical damage, none of the other coverages under this policy or any other policy will share in its payment unless the provisions of the policy are similar to the provisions of this Optional Coverage.
3. We will not pay more than the Limit of Insurance shown in the Declarations for the Temperature Change.

H. ADDITIONAL DEFINITIONS

For the purpose of this insurance:

1. "Mechanical breakdown" means:

- (a) Breaking or separation of any mechanical part(s) other than gas pipes or lines; or
- (b) Burning out of any electrical motor servicing such unit; and

requiring replacement of the damaged parts to become functional.

But "mechanical breakdown" does not mean faulty operation or failure of equipment which results in temperature change but does not require replacement of broken parts.

We will not pay for direct physical loss or physical damage to "perishable stock" caused by such faulty operation or failure of equipment.

2. "Perishable stock" means personal property:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to direct physical loss or physical damage if the controlled conditions change.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VALUABLE PAPERS AND RECORDS

This endorsement modifies insurance provided under the following:

STANDARD PROPERTY COVERAGE FORM SPECIAL PROPERTY COVERAGE FORM

This coverage applies only when it is indicated in the Declarations. The provisions of this policy apply to the coverage stated in this endorsement, except as indicated below.

- A.** We will pay for direct physical loss of or physical damage to the following types of property at the "scheduled premises" that is your property or property of others in your care, custody or control:

Valuable Papers and Records, meaning inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts; or
- (3) Records including patient records ; or
- (4) X-Rays

including abstracts, books, deeds, drawings, films, maps or mortgages.

But Valuable Papers and Records does not include:

- (1) Property that cannot be reproduced, replaced or restored.
- (2) "Money" and "Securities",
- (3) Converted data; or
- (4) Programs or instructions used in your data processing operations, including the material on which the data is recorded.

B. Limit of Insurance

The most we will pay for direct physical loss or physical damage in any one occurrence is the Limit of Insurance for Valuable Papers and Records shown in the Declarations.

C. Deductible

We will not pay for loss in any one Occurrence unless the amount of loss exceeds the policy deductible stated in the Declarations. We will

then pay the amount of loss in excess of the Deductible, up to the Limit of Insurance.

- D.** Under this Optional Coverage we will not pay for property:

- (1) Held as samples or for delivery after sale;
- (2) In storage away from the premises shown in the Declarations; or
- (3) If such property can not be replaced with other property of like kind and quality.

- E.** With respect to this Optional Coverage, Coverage Extension **A.5.h.**, Property Off-Premises in the Standard Property Coverage Form and Coverage Extension **A.6.h.**, Property Off-Premises in the Special Property Coverage Form are replaced by the following:

You may apply the insurance provided under this Optional Coverage to Valuable Papers and Records while such property is not at the "scheduled premises", including while in transit. The most we will pay for direct physical loss or physical damage under this Coverage Extension is 25% of the Limit of Insurance shown in the Declarations for Valuable Papers and Records but not more than \$25,000.

This coverage does not apply to property in storage unless a separate location is scheduled in the Declarations for Valuable Papers and Records Off-Premises.

- F.** The Valuable Papers and Records Coverage Extension, paragraph **A.5.i.** in the Standard Property Coverage Form and paragraph **A.6.i.** in the Special Property Coverage Form, do not apply to any premises where this Optional Coverage applies.

- G.** With respect to coverage provided by this endorsement, paragraph **E.5.d.(6)** in the Standard Property Coverage Form and in the Special Property Coverage Form are replaced by the following:

- (6) We will determine the value of "Valuable Papers and Records" at the cost of:

- a. Blank materials for reproducing the records; and

- b. The reasonable cost to research, replace or restore the lost information.

H. Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage except for:

- (1) Governmental Action;
- (2) Nuclear Hazard; and
- (3) War and Military Action.

I. **Additional Exclusions**

We will not pay for direct physical loss or physical damage caused by or resulting from any of the following:

- (1) Dishonest acts by:
 - (a) You, or your employees or authorized representatives;
 - (b) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (c) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- (2) Errors or omissions in processing or copying.

But we will pay for direct physical loss or physical damage caused by resulting fire or explosion.

- (3) Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct physical loss or physical damage caused by lightning.

- (4) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- (5) Unauthorized instructions to transfer property to any person or to any place.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING STRETCH

This endorsement modifies insurance provided under the following:

**SPECIAL PROPERTY COVERAGE FORM
STANDARD PROPERTY COVERAGE FORM**

Except as otherwise stated in this endorsement, the terms and conditions of the policy apply to the insurance stated below.

A. The following changes apply to the Standard Property Coverage Form, Additional Coverages, **A.4.**, or to the Special Property Coverage Form, Additional Coverages, **A.5.**:

1. Back Up of Sewer or Drain Water Damage

The following Additional Coverage is added:

We will pay for physical loss of or physical damage to Covered Property solely caused by water that backs up from a sewer or drain.

This coverage is included within the Covered Property Limits of Insurance.

THIS IS NOT FLOOD INSURANCE

We will not pay for water or other materials that back up from any sewer or drain when it is caused by any flood. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not that enters the sewer or drain system.

2. Claim Expenses

The following Additional Coverage is added:

In the event of covered loss or physical damage we will pay up to \$10,000 in any one occurrence as an additional Limit of Insurance to cover reasonable expenses incurred by you at our specific request to assist us in:

- a.** The investigation of a claim or suit; or
- b.** The determination of the amount of loss, such as taking inventory, or auditing business records.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

3. Debris Removal

The following Additional Coverage is added:

In Limits of Insurance, **C.4.b.**, the additional limit of insurance for the Debris Removal Additional Coverage is increased to \$25,000 in any one occurrence.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

4. Lessor's - Tenant Move Back Expenses

The following Additional Coverage is added:

In the event that your tenants must temporarily vacate the covered Building property due to untenability caused by direct physical loss or physical damage by a Covered Cause of Loss, we will pay up to \$10,000 in any one occurrence as a Limit of Insurance at each "scheduled premises" to cover the sum of all expenses you incur to move those tenants back into your covered Building.

a. Covered Expenses

We will only pay for the following expenses:

- (1)** Packing, transporting and unpacking the tenants' Business Personal Property, including the cost of insuring the move back and any necessary assembly or setup of furniture and equipment, and
- (2)** The net cost to re-establish the tenants' utility and telephone services, but only after any refunds due to the tenants were paid.

b. Time Limitation

We will only pay for Covered Expenses that you incur within 60 days of the date that the damaged building was repaired or rebuilt.

5. Lessor's - Lease Cancellation

The following Additional Coverage is added:

In the event that your tenants cancel their leases in covered Building property due to untenability caused by direct physical loss or physical damage by a Covered Cause of Loss, we will pay up to \$10,000 in any one occurrence as a Limit of Insurance at each "scheduled premises" to cover the loss of rental income that you would have received from such leases. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

a. Income Not Covered

We will not pay for the following:

- (1) Prepaid rent;
- (2) Security and other deposits made by tenants; and
- (3) Insurance, taxes or other payments made by you on behalf of the tenants.

b. Time Limitation

We will only pay for loss of rental income that you sustain after tenability is restored and until the earlier of:

- (1) The date you lease the premises to another tenant;
- (2) 12 months immediately following the "period of restoration"; or
- (3) The normal expiration date of the cancelled leases.

6. Off-Premises Utility Services - Direct Damage

The following Additional Coverage is added:

We will pay up to \$10,000 in any one occurrence as a Limit of Insurance to apply at each "scheduled premises" to cover direct physical loss of or physical damage to Covered Property caused by or resulting from the interruption of utility services. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

This Additional Coverage is subject to the provisions of Off-Premises Utility Services - Direct Damage, Form SS 40 18, with the exception of the Utility Services Limit of Insurance contained in that form. Off-Premises Utility Services - Direct Damage, Form SS 40 18 is made a part of this policy, whether or not Off-Premises Utility Services - Direct Damage coverage is indicated in the Declarations.

7. Ordinance or Law

The following Additional Coverage is added:

If a covered Cause of Loss occurs to covered Building property, we will pay the following at each "scheduled premises" that are caused by enforcement of any ordinance or law:

- a. For loss to the undamaged portion of the Building, within in the Building Limit of Insurance;
- b. Up to \$50,000 as a Limit of Insurance to cover demolition costs; and
- c. Up to \$50,000 as a Limit of Insurance to cover increased costs.

This additional coverage is subject to the provisions of Ordinance or Law, Form SS 04 15, which is attached to this policy.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for this coverage.

8. Outdoor Signs

The following Additional Coverage is added and supercedes any other coverage for signs in this policy:

This Additional Coverage is in addition to any recoverable Limits of Insurance applicable to Building or Business Personal Property.

We will pay up to full value of outdoor signs at each "scheduled premises" to cover direct physical loss of or physical damage to outdoor signs.

This Additional Coverage is subject to the provisions of Outdoor Signs, Form SS 04 44, with the exception of the Limit of Insurance provision and paragraph E. of that form. Outdoor Signs, Form SS 04 44 is made a part of this policy whether or not Outdoor Signs coverage is indicated in the Declarations.

- B.** The following changes apply to the Standard Property Coverage Form, Coverage Extensions, **A.5.**, or to the Special Property Coverage Form, Coverage Extensions, **A.6.**:

1. Newly Acquired or Constructed Property

The following changes are made to Newly Acquired or Constructed Property:

a. Building

The most we will pay in subparagraph (1) is increased to \$1,000,000 at each premises.

b. Business Personal Property

The most we will pay in subparagraph (2) is increased to \$500,000 at each premises.